

Fill in this information to identify the case:

United States Bankruptcy Court for the:

Southern District of Texas

Case number (if known): _____ Chapter 11

Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name	<u>540P Properties, LLC</u>		
2. All other names debtor used in the last 8 years			
Include any assumed names, trade names, and <i>doing business as</i> names			
3. Debtor's federal Employer Identification Number (EIN)	<u>4 6 - 3 0 4 2 2 9 6</u>		
4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business	
	<u>540 Preston Ave</u> Number Street		
	<u>Pasadena, TX 77503-1229</u> City State ZIP Code		
	<u>Harris</u> County	Location of principal assets, if different from principal place of business	
5. Debtor's website (URL)			
6. Type of debtor	<input type="checkbox"/> Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP)) <input type="checkbox"/> Partnership (excluding LLP) <input checked="" type="checkbox"/> Other. Specify: <u>Limited Liability Company</u>		

Debtor 540P Properties, LLC
Name _____

Case number (if known) _____

7. Describe debtor's business**A. Check one:**

- Health Care Business (as defined in 11 U.S.C. § 101(27A))
 Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
 Railroad (as defined in 11 U.S.C. § 101(44))
 Stockbroker (as defined in 11 U.S.C. § 101(53A))
 Commodity Broker (as defined in 11 U.S.C. § 101(6))
 Clearing Bank (as defined in 11 U.S.C. § 781(3))
 None of the above

B. Check all that apply:

- Tax-exempt entity (as described in 26 U.S.C. §501)
 Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
 Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

8. Under which chapter of the Bankruptcy Code is the debtor filing?

A debtor who is a "small business debtor" must check the first subbox. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box

Check one:

- Chapter 7
 Chapter 9
 Chapter 11. **Check all that apply:**

- The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
 The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11.** If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
 A plan is being filed with this petition.
 Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
 The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
 The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

- Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

If more than 2 cases, attach a separate list.

No

Yes. District Southern District of Texas When 3/4/2019 Case number 19-31233
MM / DD / YYYY

District _____ When _____ Case number _____
MM / DD / YYYY

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

No

Yes. Debtor _____ Relationship _____

District _____ When _____
MM / DD / YYYY

Case number, if known _____

Debtor 540P Properties, LLC
Name _____

Case number (*if known*) _____**11. Why is the case filed in this district?***Check all that apply:*

Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

No

Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard?

It needs to be physically secured or protected from the weather.

It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

Other _____

Where is the property? _____

Number _____ Street _____

City _____ State _____ ZIP Code _____

Is the property insured?

No

Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information**13. Debtor's estimation of available funds?***Check one:*

Funds will be available for distribution to unsecured creditors.

After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

<input checked="" type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,000-100,000
<input type="checkbox"/> 100-199	<input checked="" type="checkbox"/> 200-999	<input type="checkbox"/> 10,001-25,000		<input type="checkbox"/> More than 100,000	

15. Estimated assets

<input type="checkbox"/> \$0-\$50,000	<input checked="" type="checkbox"/> \$1,000,001-\$10 million	<input type="checkbox"/> \$500,000,001-\$1 billion
<input type="checkbox"/> \$50,001-\$100,000	<input type="checkbox"/> \$10,000,001-\$50 million	<input type="checkbox"/> \$1,000,000,001-\$10 billion
<input type="checkbox"/> \$100,001-\$500,000	<input type="checkbox"/> \$50,000,001-\$100 million	<input type="checkbox"/> \$10,000,000,001-\$50 billion
<input type="checkbox"/> \$500,001-\$1 million	<input type="checkbox"/> \$100,000,001-\$500 million	<input type="checkbox"/> More than \$50 billion

Debtor 540P Properties, LLC
Name _____

Case number (if known) _____

- 16. Estimated liabilities**
- | | | |
|---|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input checked="" type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

- 17. Declaration and signature of authorized representative of debtor**
- The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.
 - I have been authorized to file this petition on behalf of the debtor.
 - I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 09/06/2021
MM/ DD/ YYYY

X/s/ Bryan D. Hudson

Signature of authorized representative of debtor

Bryan D. Hudson

Printed name

Title Member

18. Signature of attorney

X/s/ John E Smith

Signature of attorney for debtor

Date 09/06/2021

MM/ DD/ YYYY

John E Smith
Printed nameJohn E. Smith & Associates, P.C.
Firm name907 S Friendswood Dr Ste 204
Number StreetFriendswood
CityTX 77546-5489
State ZIP Code(281) 996-9393
Contact phonejohn@johnesmithattorney.com
Email address18613275
Bar numberTX
State

Fill in this information to identify the case:

Debtor name 540P Properties, LLC

United States Bankruptcy Court for the:
Southern District of Texas

Case number (if known): _____

Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
 Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

Creditor's name	Describe debtor's property that is subject to a lien	Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim
2.1 Texas Citizens Bank	Real, Commercial Legal Description: TRS 8-27 8-28 & 8-28A ABST 18 T EARLE 540 Preston Ave Pasadena, TX 77503-1229	\$183,266.22	\$1,147,971.00
Creditor's mailing address	Describe the lien		
c/o Greer, Herz & Adams, LLP	Is the creditor an insider or related party?		
1 Moody Plz # 18	<input checked="" type="checkbox"/> No		
Galveston, TX 77550	<input type="checkbox"/> Yes.		
Creditor's email address, if known	Is anyone else liable on this claim?		
Date debt was incurred <u>12/20/2017</u>	<input type="checkbox"/> No		
Last 4 digits of account number <u>7 1 1 0</u>	<input checked="" type="checkbox"/> Yes. Fill out Schedule H: Codebtors (Official Form 206H).		
Do multiple creditors have an interest in the same property?	As of the petition filing date, the claim is:		
<input type="checkbox"/> No.	Check all that apply.		
<input checked="" type="checkbox"/> Yes. Specify each creditor, including this creditor, and its relative priority.	<input type="checkbox"/> Contingent		
1) The Malachite Group of Texas, Inc.	<input type="checkbox"/> Unliquidated		
2) Texas Citizens Bank	<input type="checkbox"/> Disputed		
Remarks: Lien on Real Estate based on pledge for third party Borrower			
3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.		<u>\$868,948.71</u>	

Debtor 540P Properties, LLC
Name _____

Case number (if known) _____

Part 1: Additional Page

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

2.2 Creditor's name

The Malachite Group of Texas, Inc.

Describe debtor's property that is subject to a lien

\$685,682.49

\$1,147,971.00

Creditor's mailing address

c/o Law Office of Phyllis Ocean, PLLC

5858 Westheimer Rd Ste 850

Houston, TX 77057-5968

Describe the lien**Is the creditor an insider or related party?**

No

Yes.

Date debt was incurred 2/6/2020**Is anyone else liable on this claim?**

No

Yes. Fill out Schedule H: Codebtors (Official Form 206H).

Last 4 digits of account number _____**As of the petition filing date, the claim is:**

Check all that apply.

Contingent

Unliquidated

Disputed

Do multiple creditors have an interest in the same property?

No.

Yes. Have you already specified the relative priority?

No. Specify each creditor, including this creditor, and its relative priority.

Yes. The relative priority of creditors is specified on lines 2.1

Column A

Amount of claim
Do not deduct the value of collateral.

Column B

Value of collateral that supports this claim

Debtor 540P Properties, LLC

Case number (if known) _____

Name

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address	On which line in Part 1 did you enter the related creditor?	Last 4 digits of account number for this entity
Texas Citizens Bank 4949 Fairmont Parkway Pasadena, TX 77505	Line 2.1	_____
The Malachite Group of Texas, Inc 1955 W JC Jester Blvd Houston, TX 77008	Line 2.2	_____

Fill in this information to identify the case:

Debtor name 540P Properties, LLC

United States Bankruptcy Court for the:
Southern District of Texas

Case number (if known): _____

Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- Schedule H: Codebtors (Official Form 206H)
- A Summary of Assets and Liabilities for Non-Individuals (Official Form 206A-Summary)
- Amended Schedule _____
- Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 09/06/2021
MM/ DD/ YYYY

 /s/ Bryan D. Hudson

Signature of individual signing on behalf of debtor

Bryan D. Hudson
Printed name

Member
Position or relationship to debtor

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: 540P Properties, LLC

CASE NO

CHAPTER 11

VERIFICATION OF CREDITOR MATRIX

The above named Debtor hereby verifies that the attached list of creditors is true and correct to the best of his/her knowledge.

Date 09/06/2021

Signature /s/ Bryan D. Hudson
Bryan D. Hudson, Member

Kast Fabrics, Inc.
540 Preston Ave
Pasadena, TX 77503-1229

Texas Citizens Bank
c/o Greer, Herz & Adams, LLP
1 Moody Plz # 18
Galveston, TX 77550

Texas Citizens Bank
4949 Fairmont Parkway
Pasadena, TX 77505

The Malachite Group of Texas,
Inc
1955 W JC Jester Blvd
Houston, TX 77008

The Malachite Group of Texas,
Inc.
c/o Law Office of Phyllis Ocean, PLLC
5858 Westheimer Rd Ste 850
Houston, TX 77057-5968